

CABINET

Report Title	Exemption and Contract Award - Tipton Town Centre Regeneration Project (Parcels 1 & 2)
Date of Meeting	9 th April 2025
Report Author	Alexander Oxley, Capital Projects Manager
Lead Officer	Alan Lunt, Executive Director, Place
Lead Cabinet Member(s)	Cllr Peter Hughes - Cabinet Member for Regeneration and Growth
Why is this a key decision?	Expenditure over £1 Million+
Wards Affected	Tipton Green
Identify exempt information and exemption category	Choose an item. N/A
Is the report urgent?	Yes
Reasons for urgency (only where applicable)	Item requires urgent decision due to grant funding constraints.
Appendices (if any)	1. Tipton Town Centre Redevelopment Sites Plan 2. Add title here

1. Executive Summary

- 1.1** The Tipton Town Centre Regeneration Scheme Rescope and Funding Package was agreed by Cabinet in October 2023 (Minute No. 129/23 – Wednesday 18 October 2023), subsequently however, the minimum number of bids required to meet the procurement thresholds has not been met to award a construction contract on delivery parcels 1 & 2 (P1 & P2 hereunder). It has therefore become necessary to seek an exemption from the procurement and contract procedure rules to allow the commencement of the project.

2. Recommendations

The Cabinet is recommended to: -

- 2.1 Delegate authority to the Executive Director, Place to award a contract to Torsion Construction for £13,164,602 to deliver 55no. new residential units in Union St, Tipton.
- 2.2 That any necessary exemptions be made to the Council's Contract Procedure Rules to allow the Executive Director, Place to award contracts to the successful tenderer if the required minimum number of tenders are not received on this and all other procurement activity pertaining to the Tipton CRP.
- 2.3 Delegate authority to the Executive Director, Place to design, procure, award any further contracts to redevelop three sites in Tipton town centre (as indicated in Appendix 1) for affordable one and two bed council housing units.

3. Proposals – Reasons for the recommendations

- 3.1 On October 18, 2023, Cabinet approved proposals to deliver 70no. new residential housing units, across 3no. sites, and associated public realm improvements in Tipton (Minute No. 129/23 – Wednesday 18 October 2023).
- 3.2 The project received £20m of capital grant funding through the Regeneration Capital Fund, administered by the Ministry of Housing, Communities and Local Government (MHCLG).
- 3.3 Since that time, the council have been progressing and de-risking the sites for delivery through the following activities:
 - Site assembly
 - Obtaining vacant possession
 - Detailed scheme design to RIBA Stage 3+
 - Demolition
 - Planning approval
- 3.4 The procurement exercise was undertaken on a fully open and competitive basis pursuant to the councils Contract and Procedure Rules (CPRs) 23/24. 6no. bids were received at Selection Questionnaire (SQ) stage and subsequently 5no. bidders were shortlisted from the SQ stage and invited to submit full tenders.
- 3.5 SQ submissions were independently scored and moderated in line with CPRs 23/24. Of the 5no. bidders, Torsion Construction Ltd were the highest scoring bidder in terms of quality of SQ submission.

- 3.6 However, upon receipt of final bids there were insufficient tenders to meet the threshold for minimum number of tenders.
- 3.7 The commercial submission has been independently scrutinised by the council's Senior Lead Quantity Surveyor (Urban Design and Building Services) who is satisfied that the proposal offers value for money and is in line with the previous internal project cost estimates.
- 3.8 The full cost of the contract will be met using grant funding only.
- 3.9 Awarding of this contract will realise the delivery of 55no. new, high-quality and sustainable social homes for Sandwell residents, as well as delivering 55 of the 70 housing outputs required to satisfy the grant funding agreement (GFA).

4. Alternative Options Considered

4.1 Option 1- Do nothing

The council could choose to do nothing. In this instance, whereby no contract is awarded, the grant funding will be returned to MHCLG, and no outputs will be realised. This is not considered to be a viable option.

4.2 Option 2- Retender

The council could choose to retender the project on the grounds that the minimum number of bidders was not met. This is not recommended due to:

- a) The risk of grant clawback- If the council are unable to disburse the grant funding within the timescales set out within the GFA, then there is a risk that the council could be subject to grant clawback.
- b) Commercial assurance- due to our own independent scrutiny of the proposal, it is considered value for money. As such, there is not likely to be any material further cost reduction by retendering the project.
- c) Quality score- of the 5no shortlisted bidders Torsion Construction Ltd scored highest during the previous round of qualitative quality screening.

In summary, Torsion Construction is considered to be a reputable partner with demonstrable experience of schemes of a similar nature and have provided a sound commercial submission. As such, a retender is not recommended.

5. Consultation

- 5.1 Comprehensive public consultation was undertaken in January 2024 and February 2025 where residents' views were sought on the delivery of the Town Centre Regeneration Project. Residents were overwhelmingly

supportive of new high-quality homes in the area as well as the associated improvements to public realm.

- 5.2 Local ward members are briefed and consulted monthly and are, again, in support of the proposals.

6. Financial Implications

- 6.1 Approval to award the contract to Torsion Construction Ltd will result in a direct capital spend of £13,164,602.

- 6.2 This spend will be fully met utilising grant funding through the Capital Regeneration Funding (MHCLG).

7. Legal and Governance Implications

- 7.1 The Council will be required to sign under seal a legally binding JCT contract with Torsion Construction Ltd.

8. Risks

- 8.1 A full project risk register and risk management strategy has been prepared to manage and mitigate risks across the project, in line with the council's risk management procedure.

- 8.2 In the specific instance of a contract award, the risk is primarily a commercial one. However, the council has tendered the opportunity as a 1-stage design and build contract and therefore by providing the contractor with comprehensive data and information during the procurement process, the council have been able to transfer significant amounts of commercial risk through a fixed contractual price.

9. Equality and Diversity Implications (including the public sector equality duty)

- 9.1 An EQIA has been undertaken for the project and no concerns were identified.

10. Other Relevant Implications

- 10.1 None.

11. Background Documents

- 11.1 None.

12. How does this deliver the objectives of the Strategic Themes?

This report will support the delivery of the following Strategic Themes: -

- **Living in Sandwell**
- **Healthy in Sandwell**

High-quality and sustainable new homes, centred around public realm and benefitting from high levels of amenity space are critical in allowing people to live happy, healthy and fulfilling lives. The scheme will deliver the highest performing medium density residential units that the council have ever achieved which will have a direct positive impact on residents' health and ability to contribute to the local economy.

Relevance Check

Budget Reduction/Service Area:

Service Lead

Date:

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No

NB for Officers (not part of the report).

The Democratic Services Team are able to offer advice on report writing, should you require assistance.

See the report guidance on a page and report style guide documents that have previously been circulated to Officers.

Finally, please delete any red wording before the submission of this report and ensure that the report is presented in the correct style.